

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2002-262-C - ORDER NO. 2003-574

SEPTEMBER 18, 2003

IN RE: Rule to Show Cause Against Quick Connect Telephone Service, Inc.) ORDER REVOKING) CERTIFICATE AND) RESCINDING) INTERCONNECTION) AND RESALE) AGREEMENTS
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This matter comes before the Public Service Commission of South Carolina (the Commission) on this Commission's Rule to Show Cause issued against Quick Connect Telephone Service, Inc. (Quick Connect or the Company). The Company was ordered to show cause as to why its Certificate of Public Convenience and Necessity granted in Docket No. 2000-295-C, Order No. 2000-1012, dated December 19, 2000, should not be revoked because of insufficient financial resources to provide its certificated services in South Carolina. The Rule was issued at the request of the Commission Staff (Staff), and was contained in Order No. 2002-760.

On August 1, 2002, the Commission Staff filed a Petition for Rule to Show Cause (Petition) against Quick Connect alleging that on July 1, 2002, on information and belief, the services of Quick Connect were disconnected, and that Quick Connect owed Farmers Telephone Cooperative (Farmers), its underlying carrier, the amount of approximately \$19,000 at that time. According to Staff, on information and belief, Quick Connect had made payment arrangements with Farmers. However, Quick Connect failed to comply

with the arrangements; therefore, Farmers disconnected Quick Connect's services and the Company's approximate 300 customers. Further, the Petition alleged that as of July 12, 2002, Quick Connect was in arrears to Farmers in the amount of \$28,000 with no payments having been made to Farmers. In addition, the Staff stated its belief that Quick Connect no longer possessed the financial resources sufficient to provide the services that it had been certificated to provide in South Carolina, thus Staff requested that the Commission issue its Rule to Show Cause as to why the Company's Certificate of Public Convenience and Necessity should not be revoked.

Although, as the record reveals, Quick Connect was properly served with the Staff Petition, it failed to respond within the thirty-day time period as required, and this Commission issued the requested Rule to Show Cause by Order No. 2002-760. Accordingly, a hearing on the Rule to Show Cause was scheduled for January 8, 2003 at 10:30 AM in the offices of the Commission.

On January 7, 2003, correspondence was received from Chris Ling, President and CEO of Quick Connect, requesting that the hearing set for January 8, 2003, be rescheduled. According to Mr. Ling's request, Quick Connect was in the process of a major reorganization, and Mr. Ling stated his preference that the hearing not be held until the reorganization had been completed. The closing date of the reorganization, according to Mr. Ling, was scheduled for January 22, 2003. Upon consideration of Mr. Ling's request, the Commission cancelled the hearing set for January 8, 2003.

On March 3, 2003, via facsimile transmission, Mr. Ling apprised the Commission that Quick Connect's plans of reorganization had not yet been accomplished, but that on

the current schedule he expected to have all debts cleared by the 20th (March 20). Thereafter, no further correspondence was received from Quick Connect, although the Staff made numerous attempts to contact the Company.

The Commission's General Counsel, by letter dated April 25, 2003, requested that Mr. Ling contact the Commission within ten days of receipt of the letter to discuss the current status of Quick Connect's reorganization, and the record reveals that Staff attempted to reach Mr. Ling by telephone but was unable to do so. Since Quick Connect failed to contact the Commission, a subsequent hearing was scheduled for September 10, 2003, at 2:30 P.M. Notice of the rescheduled hearing was sent to Mr. Ling/Quick Connect by certified mail, which was returned by the postal service as "unclaimed". According to the record, Staff spoke with Mr. Ling August 26, 2003, and received confirmation from Mr. Ling of the correct postal address of Quick Connect, Mr. Ling's e-mail address and the Company's e-mail address. Staff resent the Notice to both e-mail addresses August 26, 2003.

The Rule to Show Cause Hearing against Quick Connect was held September 10, 2003, at 2:30 P.M., in the offices of the Commission. The Honorable Mignon Clyburn, Chairman, presided. The Commission Staff was represented by F. David Butler, General Counsel. The Staff presented the testimony of David S. Lacoste. Although it appears that Quick Connect was properly notified of the hearing, no one representing the Company appeared. There were no intervenors in the case.

Staff witness Lacoste asked the Commission to revoke the Company's Certificate. According to Lacoste, the Commission learned of Quick Connect's financial condition

upon notification from Farmers on July 1, 2002, that Farmers, as an underlying carrier, disconnected Quick Connect's services due to non-payment of approximately \$19,000. At the hearing, Lacoste stated that the amount owed Farmers currently stands at \$28,000. Upon the notification from Farmers, witness Lacoste noted that Staff initiated an investigation of Quick Connect in other areas of this State. According to Lacoste, Staff found that Quick Connect had services disconnected by numerous other ILECs due to non-payment. Lacoste presented Exhibit 1, which reflected the amounts currently owed to other ILECs and which other companies, besides Farmers, had disconnected the services of Quick Connect. In addition to the above, Lacoste noted that Quick Connect had not filed the required reports concerning financial operating conditions and customer service quality.

Lacoste summarized his testimony by stating that due to Quick Connect's evident lack of financial resources sufficient to provide services to its customers, failure to pay its underlying carriers, failure to comply with the Commission's reporting requirements and failure to respond to the Staff's Rule to Show Cause Petition, the Commission should revoke the Company's Certificate of Public Convenience and Necessity. Further, Lacoste noted that all existing local service Interconnection Agreements involving Quick Connect should be rescinded.

We have examined the record in this case, including the documentary evidence, and we conclude that we agree with the Commission Staff. Clearly, the Company now lacks the financial ability to participate in the market as a competitive telecommunications carrier. It owes large sums of money to its underlying carriers.

Accordingly, because of the reasons stated, the Company cannot provide adequate service to its customers. Considering this evidence, we hold that Quick Connect Telephone Service, Inc.'s Certificate of Public Convenience and Necessity to provide telecommunications services in South Carolina is hereby revoked. We also rescind all of the existing local service Interconnection/Resale Agreements involving Quick Connect.

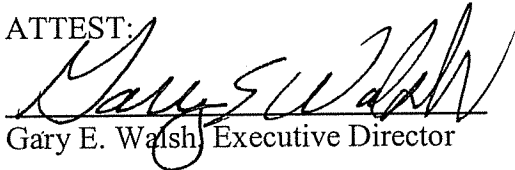
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Mignon L. Clyburn, Chairman

ATTEST:



Gary E. Walsh, Executive Director

(SEAL)